

# DNCA INVEST SRI HIGH YIELD

INTERNATIONAL HIGH YIELD BONDS



## Investment objective

Through a discretionary strategy, the Sub-Fund seeks to benefit, throughout the recommended investment period of more than three years, from the performance of the Euro-denominated high-yield bonds market, from issuers of the private sector. Investors' attention is drawn to the fact that the management style is discretionary and integrates environmental, social / societal and governance (ESG) criteria. The portfolio composition will not attempt to replicate the composition of a benchmark index from a geographical or sectorial perspective. Even so, the Bloomberg Euro High Yield BB Rating may be used as ex-post benchmark indicator. To achieve its investment objective, the investment strategy is based on active discretionary management.

## Financial characteristics

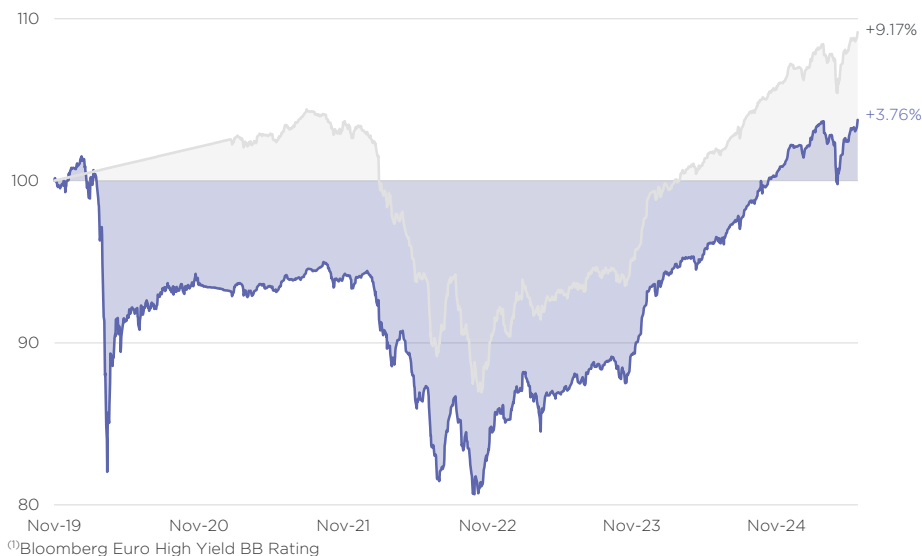
NAV (€) 103.76  
Net assets (€M) 123

Number of issuers 116  
Average modified duration 3.20  
Net modified duration 3.14  
Average maturity (years) 5.59  
Average yield 5.62%  
Average rating BB-

## Performance (from 05/11/2019 to 30/05/2025)

Past performance is not a guarantee of future performance

DNCA INVEST SRI HIGH YIELD (I Share) Cumulative performance ↗ Reference Index<sup>(1)</sup>



Performances since the fund's inception have been achieved on the basis of a management strategy that has been modified as of 25 January 2021. The fund's benchmark was changed on 25 January 2021.

## Annualised performances and volatilities (%)

	1 year	3 years	5 years	Since inception
I Share	+7.91	+5.96	+2.42	+0.66
Reference Index	+7.33	+5.07	+1.53	+1.59
I Share - volatility	3.05	3.76	3.50	5.15
Reference Index - volatility	2.38	3.48	3.01	2.86

## Cumulative performances (%)

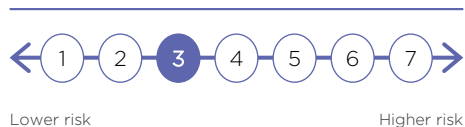
	1 month	3 months	YTD	1 year	3 years	5 years
I Share	+1.31	+0.12	+1.57	+7.91	+18.98	+12.70
Reference Index	+1.21	+0.71	+2.02	+7.33	+16.01	+7.90

## Calendar year performances (%)

	2024	2023	2022	2021	2020
I Share	+9.16	+9.77	-9.62	+1.07	-7.51
Reference Index	+7.73	+9.98	-12.24	+0.55	+2.09

The performances are calculated net of any fees.

## Risk indicator



Synthetic risk indicator according to PRIIPS. 1 corresponds to the lowest level and 7 to the highest level.

	1 year	3 years	5 years	Since inception
Sharpe Ratio	1.60	0.87	0.30	-0.10
Tracking error	1.43%	2.53%	2.53%	4.62%
Correlation coefficient	0.89	0.76	0.71	0.45
Information Ratio	0.43	0.35	0.35	-0.20
Beta	1.14	0.82	0.82	0.82

**Main risks:** risk of capital loss, interest-rate risk, risk relating to discretionary management, credit risk, inflation rate depreciation risk, counterparty risk, risk of investing in speculative grade bonds, risk related to investing in speculative securities, risk of investing in derivative instruments as well as instruments embedding derivatives, convertible securities risk, specific Risks linked to Convertible, Exchangeable and Mandatory Convertible Bonds, risk related to exchange rate, liquidity risk, high volatility risk, equity risk, specific risks of investing in contingent convertible bonds (Cocos), ESG risk, sustainability risk, bond risk 144A

## Main positions<sup>+</sup>

	Weight
Zegona Finance PLC 6.75% 2029 (4.9)	3.08%
Alstom SA PERP (4.7)	2.44%
IHO Verwaltungs GmbH 7% 2031 (5.8)	2.13%
Abertis Infraestructuras Finance BV PERP (5.7)	2.08%
INEOS Finance PLC 6.38% 2029 (3.1)	2.07%
Perrigo Finance Unlimited Co 5.38% 2032 (4.5)	1.68%
Telefonica Europe BV PERP (4.6)	1.68%
Lottomatica Group Spa 4.88% 2031 (4.6)	1.66%
Miller Homes Group Finco PLC 2030 FRN (5.1)	1.57%
Unibail-Rodamco-Westfield SE PERP (6.1)	1.46%
	<b>19.85%</b>

## Country breakdown

	Fund	Index
France	23.1%	21.4%
United Kingdom	13.6%	7.9%
Spain	12.3%	9.9%
Italy	11.2%	15.4%
USA	8.0%	10.3%
Luxembourg	7.3%	2.0%
Germany	6.6%	14.7%
Sweden	3.9%	2.9%
Netherlands	3.5%	1.9%
Greece	3.1%	5.0%
Belgium	2.5%	1.4%
Czech Republic	0.9%	-
Austria	0.5%	0.3%
Slovenia	0.4%	0.3%
Portugal	0.4%	1.0%
South Africa	0.4%	-
Denmark	0.4%	0.1%
Canada	0.3%	-
Other Countries	-	5.6%
UCITS	0.9%	N/A
Cash and equivalents	0.7%	N/A

## Changes to portfolio holdings\*

**In:** AccorInvest Group SA 5.38% 2030 (4.4), Albion Financing 1 SARL / Aggreko Holdings Inc 5.38% 2030, Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance PLC 3% 2029 (4.5), AXASA 5 3/4 PERP (5.1), Ball Corp 4.25% 2032 (5.9), Banco Bilbao Vizcaya Argentaria SA 4% 2037 (6.3), Banco BPM SpA PERP (4.6), Banco de Sabadell SA PERP (5.5), Bankinter SA 4.13% 2035 (5.1), CaixaBank SA 4% 2037 (5.7), Currenta Group Holdings Sarl 5.5% 2030, Edge Finco PLC 8.13% 2031, Eurobank Ergasias Services and Holdings SA PERP, Fibercop SpA 7.88% 2028 (3.9), Grand City Properties Finance Sarl PERP (5), Grifols SA 7.13% 2030 (3.7), iliad SA 5.38% 2031 (5), INEOS Quattro Finance 2 Plc 8.5% 2029 (3.1), KBC Group NV PERP (5.6), LHMC Finco 2 Sarl 8.63% 2030, OVH Groupe SAS 4.75% 2031 (4.7), Prysmian SpA PERP (6.5), Sunrise FinCo I BV 4.63% 2032, Trivium Packaging Finance BV 6.63% 2030 (3.2) and Unicaja Banco SA 5.5% 2034 (4)

**Out:** Banco Comercial Portugues SA PERP (4.7), Bank of Ireland Group PLC PERP (6.7), de Volksbank NV PERP (5.5), Iliad Holding SASU 6.88% 2031 (5), INEOS Quattro Finance 2 Plc 9.63% 2029 (3.1), LHMC Finco 2 Sarl 7.25% 2025, Nationwide Building Society PERP (5.3), Nidda Healthcare Holding GmbH 5.63% 2030 (4), Trivium Packaging Finance BV 2026 FRN (3.2) and Virgin Media Finance PLC 3.75% 2030 (3.9)

## Asset class breakdown

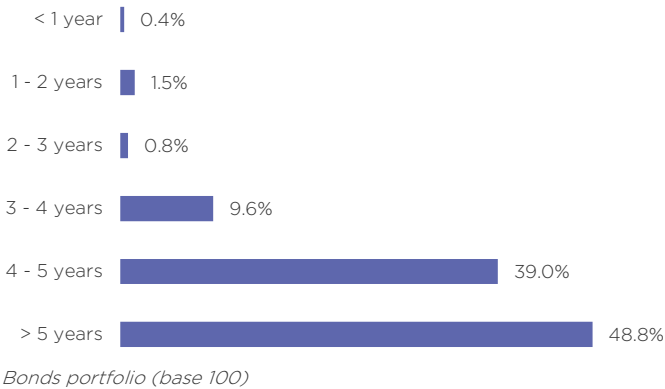
Corporate Bonds	98.3%
UCITS	0.9%
CDS Index	0.1%
Cash and equivalents	0.7%

## Bonds portfolio composition and indicators

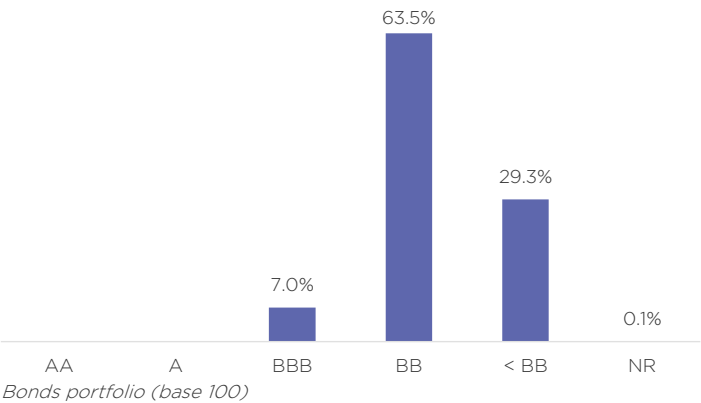
	Weight	Maturity (yrs)	Modified duration	Yield	Number of lines
Fixed rate bonds	69.29%	5.86	3.29	5.65%	89
Hybrid bonds	20.34%	4.84	4.21	5.47%	26
Floating-rate bonds	8.64%	5.16	0.10	5.74%	13
<b>Total</b>	<b>98.28%</b>	<b>5.59</b>	<b>3.20</b>	<b>5.62%</b>	<b>128</b>

\*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

Maturity breakdown



Rating breakdown



### Portfolio managers comments

After a volatile April, following Donald Trump's threat of tariffs, financial markets rebounded in May. The S&P500 gained over 6% without returning to its highs for the year, as did the Eurostoxx 50, which climbed 5.4%. Macroeconomic data remain solid, confirming moderate growth in the US, a still-resilient job market but persistent inflation. The likelihood of a recession is diminishing, pushing up interest rates on both sides of the Atlantic. But Central Bank policies remain divergent. The Fed maintained its key rates at the start of the month, with the aim of supporting economic growth while monitoring the potential impact of the Trump administration's trade policies. The ECB, on the other hand, lowered rates again in early June in response to weaker economic growth in the eurozone.

The month of May was marked by strong reactions to the tariff announcements by Donald Trump and his trading partners. The announcement of an agreement with China on May 26 reassured the markets, but a few days later, concerns resurfaced over discussions with Europe. On May 28, the U.S. District Court struck down the Trump administration's global tariffs as unconstitutional. But the following day, a federal appeals court temporarily reinstated them. These developments are set to continue over the coming months, affecting global economic forecasts and investment decisions.

Against this backdrop, the credit market posted a positive performance, fuelled by spread tightening. Euro investment grade credit performed +0.5% thanks to a 13 bp spread tightening, while European high yield benefited from a 35 bp spread tightening and performed 1.2%. In the US, rising yields offset a 17 bp spread tightening on investment grade, while high yield tightened by 57 bp and performed +1.5%. Technical factors are regaining strength. Significant inflows were recorded in Europe and the United States. Euro investment grade received over 4 billion euros during the month, and euro high yield over 2 billion. Primary issues reached record levels, above the historical average of the last 5 years. Investment grade accounted for 97 billion euros of issuance, including numerous refinancings as well as new issuers. Since the beginning of the year, net issuance has reached €57 billion. On the high-yield side, primary issuance was also buoyant: €18.7 bn were issued during the month, bringing year-to-date net issuance to €2 bn. Investor appetite for credit remains high.

Against this backdrop, the DNCA Invest SRI High Yield fund outperformed its index: 1.31% versus 1.21%. This performance is based on BB ratings, with financial subordinated debt and hybrids also contributing.

The sectors that contributed most to performance were leisure, banking, telecoms, basic industries and real estate. Those contributing least were utilities, technology, healthcare, transport and services.

The biggest contributors to performance were Cirsà (leisure), Ineos Group (basic industries), which has continued its rebound since April, IHO (automotive), VMed O2 (telecommunications) and Heimstaden (real estate). The weakest contributors were Organon (healthcare), Ziggo (telecommunications), Graanul (basic industries), Bertrand Franchise (retail) after disappointing results, and Sappi (capital goods).

During the month, we participated in several primary issues, including subordinated bank debt (BPM, Erste, KBC, Bankinter and Sabadell), subordinated insurance debt from Axa, the refinancing of Ball (capital goods), Cirsà (leisure), Aggreko (services) and Sunrise (telecoms), and new financing for Currenta (basic industries). We also made arbitrages to increase the portfolio's rating quality, selling B issues such as Manuchar (basic industries), Asda (retail) and Infopro Digital (technology) and buying BB issues such as Lottomatica (leisure), Perrigo (consumer goods) and Matterhorn (telecommunications).

We remain relatively confident about the credit market. The technical factors underpinning its performance remain strong and investment potential abundant. Corporate fundamentals remain solid, with a focus on cost reduction and deleveraging. However, valuations have returned to tight levels. This scenario could be called into question if the trade tensions were to materialize again, or if macroeconomic data were to prove weaker. Against this backdrop, we continue to favor BB ratings. At month-end, they represented 63% of the portfolio. The yield is 5.2% for a duration of 3.2.

Text completed on 10/06/2025.



Nolwenn  
Le Roux, CFA



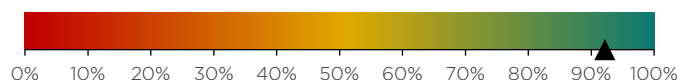
Ismaël  
Lecanu



Jean-Marc  
Frelet, CFA

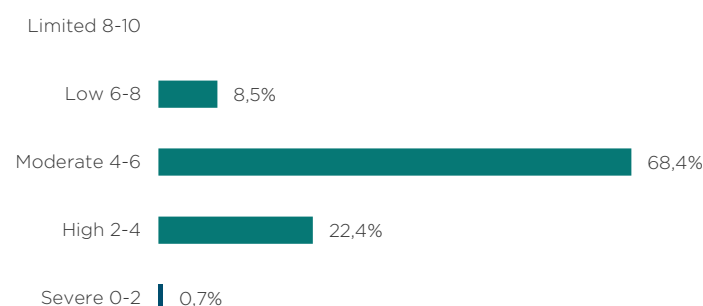
## Internal extra-financial analysis

### ABA coverage rate<sup>+</sup> (92.2%)



Average Responsibility Score: 4.7/10

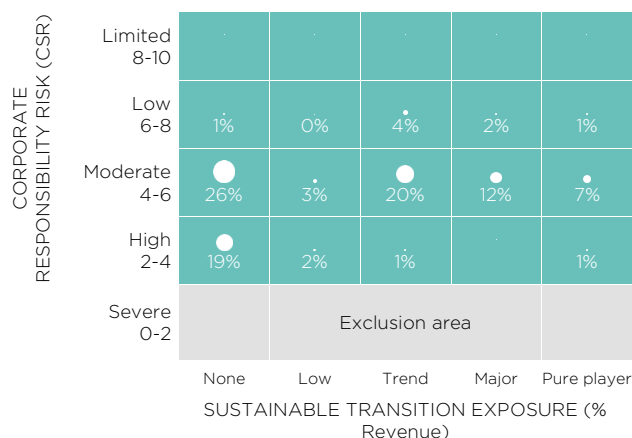
### Responsibility risk breakdown<sup>(1)</sup>



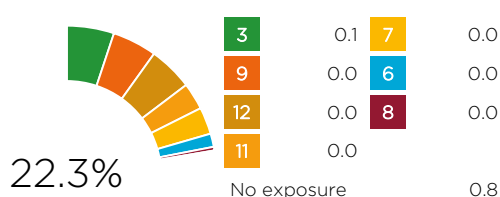
### Selectivity universe exclusion rate



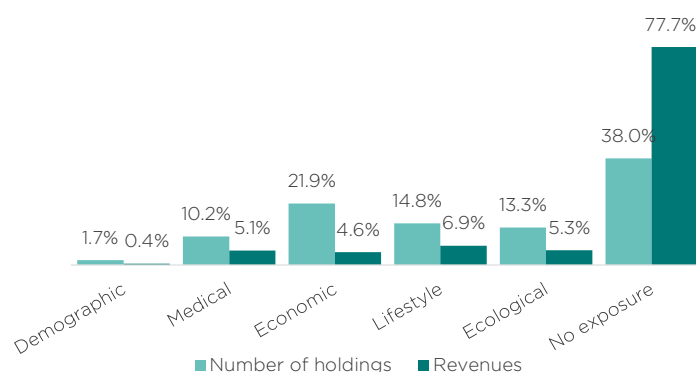
### Transition/CSR exposure<sup>(2)</sup>



### SDG's exposure<sup>(3)</sup> (% of revenues)



### Sustainable transitions exposure<sup>(4)</sup>



## Analysis methodology

We develop proprietary models based on our expertise and conviction to add tangible value in the selection of portfolio securities. DNCA's ESG analysis model, Above & Beyond Analysis (ABA), respects this principle and offers a rating that we control the entire construction. Information from companies is the main input to our rating. The methodologies for calculating ESG indicators and our responsible investor and engagement policy are available on our website [by clicking here](#).

<sup>(1)</sup> The rating out of 10 integrates 4 risks of responsibility: shareholder, environmental, social and societal. Whatever their sector of activity, 24 indicators are evaluated, such as social climate, accounting risks, suppliers, business ethics, energy policy, quality of management.

<sup>(2)</sup> The ABA Matrix combines the Responsibility Risk and the Sustainable Transition exposure of the portfolio. It allows us to map companies to be mapped using a risk/opportunity approach.

<sup>(3)</sup> 1 No poverty. 2 Zero hunger. 3 Good health and well-being. 4 Quality education. 5 Gender equality. 6 Clean water and sanitation. 7 Clean and affordable energy. 8 Decent work and economic growth. 9 Industry, innovation and infrastructure. 10 Reduced inequalities. 11 Sustainable cities and communities. 12 Sustainable consumption and production. 13 Tackling climate change. 14 Aquatic life. 15 Terrestrial life. 16 Peace, justice and effective institutions. 17 Partnerships to achieve the goals.

<sup>(4)</sup> 5 transitions based on a long-term perspective of the financing of the economy allow the identification of activities with a positive contribution to sustainable development and to measure the exposure of companies in terms of turnover as well as exposure to the UN Sustainable Development Goals.

\*The coverage rate measures the proportion of issuers (equities and corporate bonds) taken into account in the calculation of the extra-financial indicators. This measure is calculated as a % of the net assets adjusted for cash, money market instruments, derivatives and any vehicle outside the scope of "listed equities and corporate bonds".

## Principal Adverse Impacts

PAI	Unit	Fund		Ref. Index	
		Coverage	Value	Coverage	Value
PAI Corpo 1_1 - Tier 1 GHG emissions	T CO <sub>2</sub>	68%	2,941		
		31/12/2024	67%	3,485	
		29/12/2023	56%	2,814	84%
PAI Corpo 1_2 - Tier 2 GHG emissions	T CO <sub>2</sub>	68%	1,479		
		31/12/2024	67%	1,871	
		29/12/2023	56%	1,204	84%
PAI Corpo 1_3 - Tier 3 GHG emissions	T CO <sub>2</sub>	71%	32,825		
		31/12/2024	69%	43,882	
		29/12/2023	56%	41,218	84%
PAI Corpo 1T - Total GHG emissions	T CO <sub>2</sub>	72%	36,371		
		31/12/2024	69%	49,017	
		29/12/2023	56%	42,872	84%
PAI Corpo 1T_SC12 - Total GHG emissions (Scope 1+2)	T CO <sub>2</sub>	72%	4,420		
		31/12/2024	69%	5,356	
PAI Corpo 2 - Carbon footprint	T CO <sub>2</sub> /EUR M invested	68%	299	92%	941
		31/12/2024	67%	437	93%
		29/12/2023	56%	405	84%
PAI Corpo 3 - GHG intensity	T CO <sub>2</sub> /EUR M sales	72%	548	92%	906
		31/12/2024	68%	564	93%
		29/12/2023	72%	795	96%
PAI Corpo 4 - Share of investments in companies active in the fossil fuel sector		79%	0%	94%	0%
		31/12/2024	62%	0%	87%
		29/12/2023	6%	0%	10%
PAI Corpo 5_1 - Share of non-renewable energy consumption		45%	54.1%	62%	63.0%
		31/12/2024	41%	59.7%	58%
					65.0%
PAI Corpo 5_2 - Share of non-renewable energy production		0%	0.0%	4%	44.0%
		31/12/2024	0%	0.0%	3%
					49.9%
PAI Corpo 6 - Energy consumption intensity by sector with high climate impact	GWh/EUR M sales	70%	0.3	92%	0.6
		31/12/2024	62%	0.4	87%
					0.7
PAI Corpo 7 - Activities with a negative impact on biodiversity-sensitive areas		80%	0.0%	94%	0.1%
		31/12/2024	67%	0.0%	92%
		29/12/2023	0%	0.0%	1%
PAI Corpo 8 - Water discharges	T Water Emissions	3%	0	7%	0
		31/12/2024	0%	0	6%
		29/12/2023	0%		2%
PAI Corpo 9 - Hazardous or radioactive waste ratio	T Hazardous Waste/EUR M invested	67%	0.8	90%	2.2
		31/12/2024	61%	0.8	87%
		29/12/2023	33%	0.7	48%
PAI Corpo 10 - Violations of UNGC and OECD principles		86%	0.0%	97%	0.0%
		31/12/2024	78%	0.0%	95%
		29/12/2023	67%	0.0%	93%
PAI Corpo 11 - Lack of UNGC and OECD compliance processes and mechanisms		80%	0.1%	94%	0.0%
		31/12/2024	63%	0.0%	88%
		29/12/2023	66%	0.1%	93%
PAI Corpo 12 - Unadjusted gender pay gap		62%	12.9%	80%	11.4%
		31/12/2024	47%	13.8%	69%
		29/12/2023	21%	12.3%	33%
PAI Corpo 13 - Gender diversity in governance bodies		73%	32.2%	91%	34.7%
		31/12/2024	69%	31.2%	91%
		29/12/2023	67%	36.1%	93%
PAI Corpo 14 - Exposure to controversial weapons		89%	0.0%	98%	0.0%
		31/12/2024	78%	0.0%	95%
		29/12/2023	67%	0.0%	93%
PAI Corpo OPT_1 - Water use	m <sup>3</sup> /EUR M sales	38%	636	54%	576
		31/12/2024	31%	572	49%
		29/12/2023	0%		3%
PAI Corpo OPT_2 - Water recycling		0%	0.0%	1%	0.2%
		31/12/2024	0%	0.0%	2%
		29/12/2023	0%		2%
PAI Corpo OPT_3 - Investments in companies with no policy for preventing accidents at work		80%	0.1%	94%	0.1%
		31/12/2024	63%	0.0%	88%
		29/12/2023	22%	1.7%	26%

Source : MSCI

It should be noted that DNCA Finance changed its non-financial data provider in October 2023 from monitoring negative externalities by the Scope Rating provider to monitoring performance indicators (PAI) by the MSCI provider.

This change of supplier and indicator typology prevents DNCA Finance from producing a 3-year ESG performance comparison. DNCA Finance Committed to produce this historical data from the data available in December 2023.

## Administrative information

**Name:** DNCA INVEST Sri High Yield  
**ISIN code (Share I):** LU2040190618  
**SFDR classification:** Art.8  
**Inception date:** 05/11/2019  
**Investment horizon:** Minimum 3 years  
**Currency:** Euro  
**Country of domicile:** Luxembourg  
**Legal form:** SICAV  
**Reference Index:** Bloomberg Euro High Yield BB Rating  
**Valuation frequency:** Daily  
**Management company:** DNCA Finance

**Portfolio Managers:**  
 Nolwenn LE ROUX, CFA  
 Ismaël LECANU  
 Jean-Marc FRELET, CFA

**Minimum investment:** 200,000 EUR  
**Subscription fees:** - max  
**Redemption fees:** -  
**Management fees:** 0.60%  
**Ongoing charges as of 31/12/2023:** 0.72%  
**Performance fees:** 20% of the positive performance net of any fees above the index: Bloomberg Euro High Yield BB Rating

**Custodian:** BNP Paribas - Luxembourg Branch  
**Settlement:** T+2  
**Cut off:** 12:00 Luxembourg time

## Legal information

**This is an advertising communication. Please refer to the Fund's Prospectus and Key Information Document before making any final investment decision.** This document is a promotional document for use by non-professional clients within the meaning of the MIFID II Directive. This document is a simplified presentation tool and does not constitute an offer to subscribe or investment advice. The information presented in this document is the property of DNCA Finance. It may not be distributed to third parties without the prior consent of DNCA Finance. The tax treatment depends on the situation of each, is the responsibility of the investor and remains at his expense. The Document d'Informations Clés and the Prospectus must be given to the investor, who must read them prior to any subscription. All the regulatory documents of the sub-fund are available free of charge on the website of the management company [www.dnca-investments.com](http://www.dnca-investments.com) or on written request to [dnca@dnca-investments.com](mailto:dnca@dnca-investments.com) or directly to the registered office of the company 19, Place Vendôme - 75001 Paris. Investments in the sub-fund entail risks, in particular the risk of loss of capital resulting in the loss of all or part of the amount initially invested. DNCA Finance may receive or pay a fee or retrocession in relation to the sub-fund(s) presented. DNCA Finance shall in no event be liable to any person for any direct, indirect or consequential loss or damage of any kind whatsoever resulting from any decision made on the basis of information contained in this document. This information is provided for information purposes only, in a simplified manner and may change over time or be modified at any time without notice.

Past performance is not a reliable indicator of future performance.

The award of this label to an UCI does not mean that it meets your own sustainability objectives or that the label corresponds to the requirements of future national or European regulations. For more information on this subject, please visit : [www.lelabelisr.fr](http://www.lelabelisr.fr) and [www.lelabelisr.fr/comment-investir/fonds-labelises](http://www.lelabelisr.fr/comment-investir/fonds-labelises)

Sub-fund of DNCA INVEST Investment company with variable capital (SICAV) under Luxembourg law in the form of a Société Anonyme - domiciled at 60 Av. J.F. Kennedy - L-1855 Luxembourg. It is authorised by the Commission de Surveillance du Secteur Financier (CSSF) and subject to the provisions of Chapter 15 of the Law of 17 December 2010.

DNCA Finance is a limited partnership (Société en Commandite Simple) approved by the Autorité des Marchés Financiers (AMF) as a portfolio management company under number GP00-030 and governed by the AMF's General Regulations, its doctrine and the Monetary and Financial Code. DNCA Finance is also a Non-Independent Investment Advisor within the meaning of the MIFID II Directive. DNCA Finance - 19 Place Vendôme-75001 Paris - e-mail: [dnca@dnca-investments.com](mailto:dnca@dnca-investments.com) - tel: +33 (0)1 58 62 55 00 - website: [www.dnca-investments.com](http://www.dnca-investments.com)

Any complaint may be addressed, free of charge, either to your usual contact (within DNCA Finance or within a delegate of DNCA Finance), or directly to the Head of Compliance and Internal Control (RCCI) of DNCA Finance by writing to the company's head office (19 Place Vendôme, 75001 Paris, France). In the event of persistent disagreement, you may have access to mediation. The list of out-of-court dispute resolution bodies and their contact details according to your country and/or that of the service provider concerned can be freely consulted by following the link [https://finance.ec.europa.eu/consumer-finance-and-payments/retail-financial-services/financial-dispute-resolution-network-fin-net/members-fin-net-country\\_fr](https://finance.ec.europa.eu/consumer-finance-and-payments/retail-financial-services/financial-dispute-resolution-network-fin-net/members-fin-net-country_fr).

A summary of investors' rights is available in English at the following link: <https://www.dnca-investments.com/en/regulatory-information>

This product promotes environmental or social characteristics, but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.

This product is subject to sustainability risks as defined in the Regulation 2019/2088 (article 2(22)) by environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

If the portfolio investment process can incorporate ESG approach, the portfolio's investment objective is not primarily to mitigate this risk. The sustainability risk management policy is available on the website of the Management Company.

The reference benchmark as defined in the Regulation 2019/2088 (article 2(22)) does not intend to be consistent with the environmental or social characteristics promoted by the fund.

## Glossary

**Beta.** Measures the average extent to which a fund moves relative to the broader market. The beta of a market is 1. A fund with a beta of more than 1 moves on average to a greater extent than the market. A fund with a beta of less than 1 moves on average to a lesser extent. If beta is a minus number, it is likely that the stock and the market move in opposite directions.

**Correlation coefficient.** The correlation coefficient is a measure of correlation. It is used to determine the relationship between two assets over a given period. A positive coefficient means that the two assets move in the same direction. Conversely, a negative coefficient means that the assets move in the opposite direction. The correlation or decorrelation can be more or less strong and varies between -1 and 1.

**Sharpe Ratio.** The Sharpe ratio measures the excess return over the risk-free money rate of an asset portfolio divided by the standard deviation of that return. It is therefore a measure of the marginal return per unit of risk. It is used to measure the performance of managers with different risk policies.

**Sharpe Ratio.** A way of measuring the historical risk-adjusted return on an investment. It is the average previous return minus the risk-free return, divided by the standard deviation (a measure of risk that looks at the diversion of actual returns from expected returns).

**Tracking error.** Tracking Error is a measure of how closely an investment portfolio follows the index against which it is benchmarked. It is the difference in the return earned by a portfolio and the return earned by the benchmark against which the portfolio is constructed. For example, if a bond portfolio earns a return of 5.15% during a period when the portfolio's benchmark (say, for example, the Lehman Brothers Index) produces a return of 5.06%, the tracking error is .09%, or 9 basis points.



## Additional notes

This material has been provided for information purposes only to investment service providers or other Professional Clients, Qualified or Institutional Investors and, when required by local regulation, only at their written request. This material must not be used with Retail Investors. It is the responsibility of each investment service provider to ensure that the offering or sale of fund shares or third party investment services to its clients complies with the relevant national law.

Please read the Prospectus and Key Information Document carefully before investing. If the fund is registered in your jurisdiction, these documents are also available free of charge and in the official language of the country of registration at the Natixis Investment Managers website ([im.natixis.com/intl/intl-fund-documents](http://im.natixis.com/intl/intl-fund-documents)).

To obtain a summary of investor rights in the official language of your jurisdiction, please consult the legal documentation section of the website ([im.natixis.com/intl/intl-fund-documents](http://im.natixis.com/intl/intl-fund-documents)).

- **In the E.U.:** Provided by Natixis Investment Managers International or one of its BRANCH offices listed below. Natixis Investment Managers International is a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a simplified joint-stock company (société par actions simplifiée - SAS) registered in the Paris Trade and Companies Register under no. 329 450 738, Registered office: 43 avenue Pierre Mendès France, 75013 Paris. Germany: Natixis Investment Managers International, Zweigniederlassung Deutschland (Registration number: HRB 129507). Registered office: Senckenberganlage 21, 60325 Frankfurt am Main. Italy: Natixis Investment Managers International Succursale Italiana (Registration number: MI-2637562). Registered office: Via Adalberto Catena, 4, 20121 Milan, Italy. Netherlands: Natixis Investment Managers International, Dutch BRANCH (Registration number: 00050438298), Registered office: Stadsplateau 7, 3521AZ Utrecht, the Netherlands. Spain: Natixis Investment Managers International S.A., Sucursal en España (Registration number: NIF W0232616C), Registered office: Serrano nº90, 6th Floor, 28006 Madrid, Spain. Luxembourg: Natixis Investment Managers International, Luxembourg BRANCH (Registration number: B283713), Registered office: 2, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. Belgium: Natixis Investment Managers International, Belgian BRANCH (Registration number: 1006.931.462), Gare Maritime, Rue Picard 7, Bte 100, 1000 Bruxelles, Belgium.
- **In Switzerland:** Provided for information purposes only by Natixis Investment Managers, Switzerland Sàrl (Registration number: CHE-114.271.882), Rue du Vieux Collège 10, 1204 Geneva, Switzerland or its representative office in Zurich, Schweizergasse 6, 8001 Zürich.
- **In the British Isles:** Provided by Natixis Investment Managers UK Limited which is authorised and regulated by the UK Financial Conduct Authority (FCA firm reference no. 190258) - registered office: Natixis Investment Managers UK Limited, Level 4, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA. When permitted, the distribution of this material is intended to be made to persons as described as follows: **in the United Kingdom:** this material is intended to be communicated to and/or directed at investment professionals and professional investors only; in Ireland: this material is intended to be communicated to and/or directed at professional investors only; **in Guernsey:** this material is intended to be communicated to and/or directed at only financial services providers which hold a license from the Guernsey Financial Services Commission; **in Jersey:** this material is intended to be communicated to and/or directed at professional investors only; **in the Isle of Man:** this material is intended to be communicated to and/or directed at only financial services providers which hold a license from the Isle of Man Financial Services Authority or insurers authorised under section 8 of the Insurance Act 2008.
- **In the DIFC:** Provided in and from the DIFC financial district by Natixis Investment Managers Middle East (DIFC BRANCH) which is regulated by the DFSA. Related financial products or services are only available to persons who have sufficient financial experience and understanding to participate in financial markets within the DIFC, and qualify as Professional Clients or Market Counterparties as defined by the DFSA. No other Person should act upon this material. Registered office: Unit L10-02, Level 10, JCD Brookfield Place, DIFC, PO Box 506752, Dubai, United Arab Emirates.
- **In Taiwan:** Provided by Natixis Investment Managers Securities Investment Consulting (Taipei) Co., Ltd., a Securities Investment Consulting Enterprise regulated by the Financial Supervisory Commission of the R.O.C. Registered address: 34F., No. 68, Sec. 5, Zhongxiao East Road, Xinyi Dist., Taipei City 1065, Taiwan (R.O.C.), license number 2020 FSC SICE No. 025, Tel. +886 2 8789 2788.
- **In Singapore:** Provided by Natixis Investment Managers Singapore Limited (NIM Singapore) having office at 5 Shenton Way, #22-05/06, UIC Building, Singapore 068808 (Company Registration No. 199801044D) to distributors and qualified investors for information purpose only. NIM Singapore is regulated by the Monetary Authority of Singapore under a Capital Markets Services Licence to conduct fund management activities and is an exempt financial adviser. Mirova Division (Business Name Registration No.: 53431077W) and Ostrum Division (Business Name Registration No.: 53463468X) are part of NIM Singapore and are not separate legal entities. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.
- **In Hong Kong:** Provided by Natixis Investment Managers Hong Kong Limited to professional investors for information purpose only.
- **In Australia:** Provided by Natixis Investment Managers Australia Pty Limited (ABN 60 088 786 289) (AFSL No. 246830) and is intended for the general information of financial advisers and wholesale clients only.
- **In New Zealand:** This document is intended for the general information of New Zealand wholesale investors only and does not constitute financial advice. This is not a regulated offer for the purposes of the Financial Markets Conduct Act 2013 (FMCA) and is only available to New Zealand investors who have certified that they meet the requirements in the FMCA for wholesale investors. Natixis Investment Managers Australia Pty Limited is not a registered financial service provider in New Zealand.
- **In Korea:** Provided by Natixis Investment Managers Korea Limited (Registered with Financial Services Commission for General Private Collective Investment Business) to distributors and qualified investors for information purpose only.
- **In Colombia:** Provided by Natixis Investment Managers International Oficina de Representación (Colombia) to professional clients for informational purposes only as permitted under Decree 2555 of 2010. Any products, services or investments referred to herein are rendered exclusively outside of Colombia. This material does not constitute a public offering in Colombia and is addressed to less than 100 specifically identified investors.
- **In Latin America:** Provided by Natixis Investment Managers International.
- **In Chile:** Esta oferta privada se inicia el día de la fecha de la presente comunicación. La presente oferta se acoge a la Norma de Carácter General N° 336 de la Superintendencia de Valores y Seguros de Chile. La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización. Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.
- **In Mexico:** Provided by Natixis IM Mexico, S. de R.L. de C.V., which is not a regulated financial entity, securities intermediary, or an investment manager in terms of the Mexican Securities Market Law (Ley del Mercado de Valores) and is not registered with the Comisión Nacional Bancaria y de Valores (CNBV) or any other Mexican authority. Any products, services or investments referred to herein that require authorization or license are rendered exclusively outside of Mexico. While shares of certain ETFs may be listed in the Sistema Internacional de Cotizaciones (SIC), such listing does not represent a public offering of securities in Mexico, and therefore the accuracy of this information has not been confirmed by the CNBV. Natixis Investment Managers is an entity organized under the laws of France and is not authorized by or registered with the CNBV or any other Mexican authority. Any reference contained herein to "Investment Managers" is made to Natixis Investment Managers and/or any of its investment management subsidiaries, which are also not authorized by or registered with the CNBV or any other Mexican authority.
- **In Uruguay:** Provided by Natixis IM Uruguay S.A. Office: San Lucar 1491, Montevideo, Uruguay, CP 11500. The sale or offer of any units of a fund qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627.
- **In Brazil:** Provided to a specific identified investment professional for information purposes only by Natixis Investment Managers International. This communication cannot be distributed other than to the identified addressee. Further, this communication should not be construed as a public offer of any securities or any related financial instruments. Natixis Investment Managers International is a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a simplified joint-stock company (société par actions simplifiée - SAS) registered in the Paris Trade and Companies Register under no. 329 450 738. Registered office: 43 avenue Pierre Mendès France, 75013 Paris.



The above referenced entities are business development units of Natixis Investment Managers, the holding company of a diverse line-up of specialised investment management and distribution entities worldwide. The investment management subsidiaries of Natixis Investment Managers conduct any regulated activities only in and from the jurisdictions in which they are licensed or authorised. Their services and the products they manage are not available to all investors in all jurisdictions.

Although Natixis Investment Managers believes the information provided in this material to be reliable, including that from third party sources, it does not guarantee the accuracy, adequacy, or completeness of such information. May not be redistributed, published, or reproduced, in whole or in part.

• **In the United States:** Provided by Natixis Distribution, LLC 888 Boylston St. Boston, MA 02199. **For U.S. financial advisors who do business with investors who are not U.S. Persons (as that term is used in Regulation S under the Securities Act of 1933) or persons otherwise present in the U.S. It may not be redistributed to U.S. Persons or persons present in the U.S.** Natixis Investment Managers includes all of the investment management and distribution entities affiliated with Natixis Distribution, LLC and Natixis Investment Managers S.A.

**Investors should consider the investment objectives, risks and expenses of any investment carefully before investing.** The analyses, opinions, and certain of the investment themes and processes referenced herein represent the views of the portfolio manager(s) as of the date indicated. These, as well as the portfolio holdings and characteristics shown, are subject to change. There can be no assurance that developments will transpire as may be forecasted in this material. The analyses and opinions expressed by external third parties are independent and does not necessarily reflect those of Natixis Investment Managers. Although Natixis Investment Managers believes the information provided in this material to be reliable, including that from third party sources, it does not guarantee the accuracy, adequacy, or completeness of such information. May not be redistributed, published, or reproduced, in whole or in part. Amounts shown are expressed in USD unless otherwise indicated. Natixis Investment Managers may decide to terminate its marketing arrangements for this fund in accordance with the relevant legislation.